

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7406

BILL NUMBER: HB 1583

NOTE PREPARED: Jan 9, 2013

BILL AMENDED:

SUBJECT: Review of Administrative Rules.

FIRST AUTHOR: Rep. Harman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Appointment of Members:* This bill sets forth procedures for the appointment of: (1) the members of the Administrative Rules Oversight Committee; and (2) the committee's chair; to more closely align to the actual schedule of appointments made before the election of the one hundred eighteenth General Assembly.

Participation by Members from Remote Locations: This bill permits committee members to participate in committee meetings from remote locations if at least five committee members are physically present at the place where the meeting is held.

Functions of the Committee: For a rule proposed by an agency after July 15, 2013, the bill requires the agency to submit the rule to the committee for review if the agency determines the rule will have a total estimated economic impact greater than \$5 M on all regulated persons. It requires the agency to submit the rule to the committee not later than the date the agency submits the rule to the Attorney General for review. The bill also permits the committee to recommend that the Governor approve or disapprove the rule.

Effective Date: Upon passage; July 1, 2013.

Explanation of State Expenditures: *Participation by Members from Remote Locations:* The bill requires that at least five members be physically present at the committee meeting place in order for remote location participation to be allowed for the other members. Potential cost savings will depend on the amount of expenses that would have otherwise been incurred by the members meeting remotely.

Functions of the Committee: This bill provides that agencies submit proposed rules to the Administrative Rule Oversight Committee for review if the total estimated economic impact is greater than \$5 M on all regulated persons. If the committee holds more meetings to address the proposed rules, then per diem and staff expenses for the committee could increase. Current statute provides that the committee meet at the call of the chair. For CY 2010-2012, the average number of proposed rules was about 100. It is unknown how many rules would qualify under the \$5 M threshold of this bill.

Background Information - The Administrative Rules Oversight Committee has not met since the 2008 interim. They met 3 times and had expenses of \$3,547 in 2008.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.